

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7586

Petition of Central Vermont Public Service Corporation)
for approval of an amendment to its Alternative)
Regulation Plan)

Order entered: 10/20/2010

ORDER RE: COMPLIANCE FILING

BACKGROUND

On September 3, 2010, we approved two amendments¹ to Central Vermont Public Service Corporation's ("CVPS") existing Alternative Regulation Plan (the "CVPS ARP").² Specifically, CVPS had requested permission to amend the CVPS ARP to (1) eliminate the "fixed-power-price" option from the plan; and (2) to adopt a "New Initiatives Adder." We conditioned our approval of these amendments upon the requirement that CVPS file with the Board for review and approval a revised version of the "New Initiatives Adder" that included language consistent with the terms discussed in our Order of September 3, 2010. We further required CVPS to make a compliance filing consisting of a single statement of the CVPS ARP that integrates all modifications that were authorized in our Order of September 3, 2010.

On September 29, 2010, CVPS filed for our review and approval "a single statement of its ARP that integrates all modifications approved by the Board."³ The Revised CVPS ARP reflects the removal of the "fixed-power-price" option from the CVPS ARP, as well as the

1. Docket 7586, *Petition of Central Vermont Public Service Corporation for approval of an amendment to its Alternative Regulation Plan*, Order of 9/3/10.

2. The CVPS ARP went into effect on September 30, 2008. Docket 7336, *Petition of Central Vermont Public Service Corporation for approval of an Alternative Regulation Plan pursuant to 30 V.S.A. § 218d*, Order of 9/30/08.

3. *Letter from Dale A. Rocheleau, Esq., on behalf of CVPS, to Susan M. Hudson*, dated September 28, 2010 (hereinafter the "Revised CVPS ARP").

addition of the "New Initiatives Adder."⁴ We find the Revised CVPS ARP integrates all of the approved modifications of the CVPS ARP. We specifically find that the language of the revised version of the "New Initiatives Adder" submitted by CVPS for our review is consistent with the terms of our Order of September 3, 2010. Therefore, we conclude that CVPS has met the compliance filing requirements established in § 2(b) and § 3 of our Order dated September 3, 2010.

The revised, integrated version of the Alternative Regulation Plan ("ARP") that was submitted to the Vermont Public Service Board by Central Vermont Public Service Corporation on September 29, 2010, is approved.

SO ORDERED.

4. The language of the "New Initiatives Adder" set forth in the Revised CVPS ARP is as follows:

For new initiatives after the effective date of the Plan that require the Company to incur incremental costs, expenses or investment an adder to the non-power-cost Cap otherwise applicable may be established. New initiatives will qualify for the adder only if they are authorized by an order issued by the Board. For any order issued after August 6, 2010, such order may be granted upon a showing that (i) the risk associated with implementing the new initiative is of a nature that is distinct from the ordinary business risk that CVPS assumes in discharging its public service obligation, and (ii) the costs associated with implementing the new initiative are material.

Dated at Montpelier, Vermont, this 20th day of October, 2010.

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| <u>s/ James Volz</u> |) | |
| |) | PUBLIC SERVICE |
| |) | |
| <u>s/ David C. Coen</u> |) | BOARD |
| |) | |
| |) | OF VERMONT |
| <u>s/ John D. Burke</u> |) | |

OFFICE OF THE CLERK

FILED: October 20, 2010

ATTEST: s/ Judith C. Whitney
Deputy Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)